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C O N F I D E N T I A L BRATISLAVA 000663

SIPDIS

E.O. 12958: DECL: 08/17/2015

TAGS: [PINR](#) [LO](#) [PGGOC](#)

SUBJECT: KDH ULTIMATUM: EITHER RUSKO GOES OR WE DO

REF: A. BRATISLAVA 618

[1](#)B. BRATISLAVA 626

Classified By: Ambassador Rodolphe Vallee for reasons 1.4 b and d.

[1](#)1. (C) Summary: The latest threat by coalition partner KDH to leave the government if Prime Minister Dzurinda doesn't fire Economy Minister Pavol Rusko (ANO) is more serious than previous bluffs. No matter what happens, there is not enough support in parliament for early elections (90 votes are required) to take place before June 2006. Therefore, even if ANO or KDH were to leave the government, it would probably hobble along until then. Although there are other possibilities for reconstituting a majority government, such as adding HZDS, they are too unpalatable to present a realistic option for Dzurinda right now. End Summary.

[1](#)2. (C) On August 16, Pavol Hrusovsky and other leaders of the Christian Democrat Party (KDH) presented Prime Minister Dzurinda with an ultimatum: either ask President Gasparovic to recall Economy Minister Pavol Rusko, or KDH will leave the government. Hrusovsky met with Dzurinda at one o'clock in the afternoon to inform him of the KDH position, then announced the move at a five o'clock press conference. Hrusovsky demanded that Dzurinda make a decision by the time of the coalition council meeting scheduled for August 22. Dzurinda postponed the council meeting until August 23.

KDH is Serious

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[1](#)3. (C) All of our KDH interlocutors (and even those outside the party) have told us the party was completely serious in its threat to leave the government. KDH and Rusko's New Citizens Alliance (ANO) party have clashed continuously over the past two years about issues such as abortion, separation of church and state, and most recently education reforms. Recent revelations that Rusko while in office borrowed 100 million crowns (over three million dollars) on notes of credit from a now-deceased businessman, which Rusko has refused to explain, were the final straw. Hrusovsky spokesperson Michal Dyttert told us, "There is no other way to react to these financial scandals; there are limits. Our Interior Minister (Vladimir Palko) is an honorable man; our Justice Minister (Daniel Lipsic) has made fighting corruption his priority in office; they cannot continue to sit at the same table as Rusko."

[1](#)4. (C) KDH leaders tell us there will be a full-court press against Rusko now; they believe TV Markiza's (partially-owned by Rusko--ref A) license will not be renewed next spring due to financing issues and management problems, thereby taking away Rusko's prime propaganda medium. KDH officials speculated that at least two ANO MP's would abandon Rusko if push came to shove, in which case the coalition would lose not 11 but nine MPs.

SDKU: Hopes Dzurinda can hold it together

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[1](#)5. (C) Despite this, insiders from Dzurinda's Slovak Democratic and Christian Union (SDKU) were not panicking. SDKU secretary Kamil Homola told us that it was "the same old song" from KDH. It would be very simple for Dzurinda to fire Rusko, but that would only be the first step. The KDH was not taking responsibility for what would follow. Dzurinda told the former Charge that he needed Rusko at least through December to pass next year's budget (ref B). The coalition already relies on independent MPs to pass legislation; it can't afford to lose either KDH or ANO. Homola lamented that Dzurinda is always stuck resolving disputes between the coalition partners, but expressed full confidence that he would be able to do it again this time.

[1](#)6. (C) That said, other SDKU members consider the situation "very serious" and suggested that Rusko would not survive the huge pressure from KDH. They note that Rusko is a fighter and would prefer to bring the whole government down rather than leave gracefully. Dzurinda is using delaying tactics and hoping people will calm down while he weighs his options. Foreign Minister Eduard Kukan, also a vice-chair of SDKU, down-played the sense of crisis and told the press that the government was not about to fall. Other SDKU members believe that the "crisis" was being overdramatized by both politicians and the media; KDH would not give up its powerful

ministries.

SMK: Sides with KDH on Principal, but is not Suicidal  
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17. (C) The Hungarian Coalition Party (SMK) is not interpreting the KDH ultimatum so dramatically. SMK leader Bela Bugar agrees with Hrusovsky that Rusko must explain the loans. However, SMK will not walk out of the GOS in solidarity. The party would have to give up too much power and positions at all levels.

ANO: United Behind Rusko  
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18. (C) ANO, meanwhile, stands firmly behind Rusko, and ANO's main priority is to keep it that way. ANO's secretary general noted that Dzurinda is going to lose no matter what decision he makes. If ANO leaves, it will use all means available to attack the government and especially KDH.

Possibilities  
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19. (C) Dzurinda still could find a solution that will allow KDH to save face and to back down. For example, Rusko could give an "explanation" of his loans that would be acceptable to KDH and SMK. As one keen analyst noted, Dzurinda is a "world champion in settling disputes among political players," though he admitted that this time it could be very hard.

110. (C) If either ANO or KDH were to leave, the government would still hobble along for several more months, although passing a budget for the next year would be very difficult. It requires 90 votes in parliament to call for early elections, and none of the parties currently in the coalition would support such a move, even if they left the government. Thus, the earliest that early elections would likely be held is June 2006, rather than September 2006.

111. (C) Rumors are rampant of a "deal" between SDKU and Vladimir Meciar's Movement for a Democratic Slovakia (HZDS) to cooperate after the next parliamentary elections. Dyttert speculated that Dzurinda could "substitute" HZDS now for KDH. However, this would hurt both Dzurinda and Meciar in next year's elections. SDKU voters hate Meciar; HZDS voters hate Dzurinda. Any possible deal would have to be kept under wraps until the votes were in.

112. (C) Comment: Despite numerous scandals and internal conflicts during the past two and a half years, the Dzurinda government has remained stable. Justice Minister Lipsic (KDH) has assured the press that there is no threat of early elections (before June 2006). This leads us to believe that even if KDH were to leave the government to remind its own voters that it still has scruples, Dzurinda would remain at the helm and policies would remain largely unchanged.  
VALLEE

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